

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 819 – HB 1285

April 7, 2015

SUMMARY OF ORIGINAL BILL: Defines “licensee”, “management company”, and “passive investor” for purposes of health care liability actions.

Precludes a plaintiff from filing a health care liability action against anyone or any entity other than a licensee, a licensee’s management company, a licensee’s managing employees, or an individual caregiver who provided direct health care services, whether an employee or independent contractor.

A passive investor shall not be liable in health care liability actions.

A cause of action may be brought against an individual or entity other than a licensee, a licensee’s management company, a licensee’s managing employees, or an individual caregiver who provided direct health care services, but only under the procedure established by the bill.

Establishes a procedure for adding an individual or entity other than a licensee, a licensee’s management company, a licensee’s managing employees, or an individual caregiver who provided direct health care services to a health care liability action.

The court must conduct a hearing on a motion for leave to amend and determine whether (1) the individual or entity owed a duty of reasonable care to the plaintiff and that the individual or entity breached that duty; and (2) the breach of that duty is a legal cause of loss, injury, death, or damage to the plaintiff.

Provides that the date of the original pleading shall control when determining the statute of limitations for health care liability actions, and not amended pleadings or substituted or added parties.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005652): Adds section to the bill requiring any person that receives notice of a potential claim for health care liability pursuant to provide written notice to the potential claimant of any other person, entity, or health care provider who may be a properly named defendant within 30 days of receiving the notice.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The bill will increase the number of hearings conducted by the courts, but it is assumed that the number of hearings will be minimal.
- The Administrative Office of the Courts confirms that any impact can be handled within either existing resources without the need for any additional appropriation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/trm